

## CHAPTER 3

RECEIVABLES0301 GENERAL

The purpose of this chapter is to issue the policy that shall be followed in recording and accounting for receivables. A basic tenet of accounting is the establishment of accounting control over all receivables. Receivables shall be recorded when earned and collected when due. Procedures shall be established for the routine aging of all amounts overdue so that appropriated actions can be taken to effect their collection. The aggressive and efficient management of receivables in the Department of Defense is an important element of DoD stewardship over public funds.

0302 POLICY

Accounts receivable shall be recorded accurately and promptly on completion of the acts that entitle the Department of Defense to collect amounts owed it. Receivables include, but are not limited to, monies due for indebtedness determined as a result of travel and other overdue advances, dishonored checks, sale of goods and services, fines, penalties, interest, overpayment, fees, rent, claims, damages, and any other event resulting in a determination that a dept is owed the Department of Defense. Amounts receivable shall be reduced upon collection of the debt. Unless otherwise specified by law, all funds collected shall be deposited to the Treasury as miscellaneous receipts. Loans and other receivables shall be accorded similar accounting treatment to that given accounts receivable. The following subsections provide the specific standards to be followed in accounting for receivables:

030201 Receivables shall be recorded accurately and promptly so as to provide timely and reliable financial status on all debts owed the U.S. Government.

030202 Information on receivables shall be developed, maintained, and reported using the

receivables accounts listed in Chapter 7, Volume 1 of this Regulation. Subsidiary accounts for major categories of receivables shall be maintained to facilitate clear and full disclosure, that is, the debtor, the amount, and the type of debt. Examples of account entries are provided later in this chapter.

030203 Subsidiary records shall be reconciled to the control accounts monthly.

030204 Accounting records for receivables shall be maintained so that all transactions affecting the receivables for each reporting period are included.

030205 The basic standards for internal control prescribed in DoD Directive 5010.38 must be adhered to in establishing and collecting receivables.

030206 Accounting for receivables shall include provisions for:

A. Credit management and debt collection. The DoD policy for credit management and debt collection programs is provided in Chapter 28, of Volume 5 of this Regulation.

B. The accurate and timely recording and aging of accounts, loans, and other receivables that result from normal activity, and all other debts including interest, penalty, and administrative charges applied to delinquent receivables. A delinquent receivable is defined as a receivable that remains unpaid after its due date. The due date is normally 30 days from the date of invoice or notice of payment due, unless a specific due date is established by statute, contract provision, or notice of indebtedness. Debts being liquidated by installment payments are not to be considered as delinquent, unless an installment is missed.

C. The accurate and timely recording of collections and liquidation of associated receivables. A receivable is recorded timely if recorded within the same month discovered.

D. The immediate recording of items not previously recorded due to error or oversight. Due dates for such items shall be established in the first notification to the debtor.

030207 All debts and accounts that result from the occurrence of any event for which a determination is made that money is owed to the U.S. Government shall be considered as receivables and recorded in a DoD Component's accounting system at the earliest opportunity.

030208 When management determines that resources should be recovered from a defense contractor and the contracting officer issues a demand for payment, a receivable shall be recorded and collection action initiated. The accounting and finance officer shall record the receivable upon receipt of a copy of the demand for payment. The date of demand for payment shall establish the point in time when the receivable must be recorded.

030209 Receivables from nonappropriated fund instrumentalities (NAFIs) shall be recorded as transactions with the public. They shall be included in the Schedule 220.9, "Report on Accounts and Loans Receivable Due From the Public." Accounts receivable from the FMS Trust Fund are to be recorded and reported as receivables due from other Government agencies.

030210 Gains or losses resulting from foreign currency receivables shall be recorded in the "Other Gains or Losses" account for the period when settlement occurs (see Chapter 19). This requirement does not supersede the accounting requirement concerning gains or losses in foreign currency transactions as set forth in 31 U.S.C. 3342.

030211 Interest receivable shall be recorded in the accounts when interest income is earned but not collected. Interest shall continue to be

recorded, even when regular loan payments are not made, until the related debt is officially declared to be in default or a debt agreement modification action is taken.

030212 The Comptroller General and the Department of the Treasury require Federal Agencies to establish allowances for uncollectible accounts. In addition, agencies are required to age delinquent receivable accounts reflecting amounts owed to the Government. DoD Components operating under this Regulation shall ensure that their accounting systems provide for formal aging of delinquent receivables and the establishment of allowances for uncollectible accounts.

A. While other methods may be recognized and considered appropriate, the general reserve method is considered the most suitable for DoD Components in determining the amount of uncollectible accounts receivable. Under this method, a reserve is based on bad debt experience and changes in outstanding accounts receivable balances. In recognition of the principle that the more delinquent an account receivable becomes the greater the likelihood that it will not be collected in full, the analysis of receivables by age groups can be used in determining a reasonable amount to add to the allowance for loss on accounts and refunds receivable. To make this determination, it is desirable to estimate the percentage of probable expense for each age group of accounts receivable. This percentage, when applied to the dollar amount in each age group, gives a probable expense for each group. By adding together the probable expense for each age group, the required balance in the allowance for loss on accounts and refunds receivable is determined.

B. In preparing an aging schedule, amounts shall be considered as delinquent if not paid within 30 days from date of invoice or notice of payment due, unless different terms are specified by contract, other agreement or DoD Component procedures. Receivables shall be aged in the groups listed in Table 3-1.

**AGED RECEIVABLE GROUPS**

1-30 days delinquent  
 31-60 days delinquent  
 61-90 days delinquent  
 91-120 days delinquent  
 121-180 days delinquent  
 181-360 days delinquent  
 Over 360 days delinquent  
 > 1 year ≤ 2 years  
 > 2 years ≤ 3 years  
 over 3 years

**Table 3-1**

0303 EXTENT OF COLLECTION EFFORTS  
FOR DOMESTIC DEBTS

030301 General Policy. Except for debts from foreign countries, accounting and collection procedures shall be designed to provide information to assist in determining realistic points of diminishing returns beyond which collection efforts are not justified, and the minimum amount of a debt when no collection action at all should be undertaken. Procedures shall be designed to capture the total cost of the debt collection process (both direct and indirect costs), by dollar range of debt and the total number of cases processed. Until actual cost data are accumulated, cost analysis techniques shall be developed and used to determine the unit cost of processing first debt notices, follow-up actions, requests for waiver or remission, etc. When estimated costs are used, the estimates shall be updated periodically or when circumstances and conditions change significantly.

030302 Comparison Requirements. Each DoD Component shall make at least an annual comparison of costs incurred against amounts collected in its debt collection process to assist in the establishment of reasonable points at which costs of further collection efforts are likely to exceed recovery. This cost comparison, however, represents but one appraisal element to be considered

in the analysis of when and where to terminate collection efforts. Other reviews concerning the type of debt, size, age statistical analysis, etc., also should be performed before a final point of termination of collection action is determined. The following definitions should be considered when making cost comparisons, reviews, and analysis:

A. The Debt Collection Process. Includes (1) the preparation of the first debt notice; (2) all follow-up actions such as answering rebuttals, processing requests for waiver or remission, holding hearing, negotiating compromises, handling installment contract and suspense, processing collections, and making referrals to credit reporting and collection agencies; and (3) the completion of the case, including maintaining the case file information until the appropriate statute of limitations expires.

B. Direct Cost. Includes any costs that can be identified specifically with handling cases or accounts during the debt collection process. These normally consist of personnel costs, computer equipment costs, supplies, postage and contract services.

C. Indirect Cost. Includes any costs that are identified with the debt collection process, but which benefit that process and at least one other activity. These costs shall be accumulated only when they are expected to exceed 20 percent of the direct costs.

D. Cases Processed. The number of cases completed or closed during the year either by collection or write-off. Collection includes compromises and offsets from other Federal Government payments.

030303 Break-Even Analysis. A break-even analysis is one method of determining realistic points at which further collection efforts are not justified. A break-even analysis format and instructions are provided as Table 3-2.

**BREAK-EVEN ANALYSIS**

(1)	(2)	(3)	(4)	(5)	(6)
<u>\$ Range</u>	<u>CASES</u> <u>#</u> <u>PROCESSED</u>	<u>ORIGINAL</u> <u>\$</u> <u>AMOUNT</u>	<u>COST TO</u> <u>\$</u> <u>COLLECT</u>	<u>\$</u> <u>COLLECTIONS</u>	<u>\$</u> <u>DIFFERENCE</u>
\$ 0-25					
26-50					
51-75					
76-100					
101-125					
126-575					
576-600					
SUBTOTAL					
OVER 600					
GRAND TOTAL					

Column (1) - Dollar range should be meaningful to the debt collection process. Subtotal can be placed anywhere within dollar range to relate to a particular debt collection need.

Column (2) - Total number of cases processed within this particular dollar range.

Column (3) - Original dollar amount of debts for this particular range.

Column (4) - Historical cost for this particular range or subtotal times number of cases in column (2).

Column (5) - Accumulate collections per range or subtotal.

Column (6) - Column (5) minus column (4). Break-even point is where the collections (5) are equal to the cost to collect (4).

Grand total of collections (column (5)) divided by grand total of original dollar amount (column (3)) = percent collection range for period.

**Table 3-2**

0304     EXTENT OF COLLECTION EFFORTS  
FOR DEBTS FROM FOREIGN  
COUNTRIES

General policy for collection of debts from foreign countries is contained in Chapter 12, Volume 6, of this Regulation.

0305     INTEREST, PENALTY, AND  
ADMINISTRATIVE CHARGES

030501   General

A. Accounting for receivables shall include provisions for accruing interest, penalty, and administrative charges on delinquent accounts from the public in accordance with 31 U.S.C. 3717. Accounting systems shall be designed to accumulate and record such charges for all debts owed the U.S. Government. Note, however, that debts owed by any Federal Agency (including NAFIs), or any State or local government are exempt from interest, penalty, and administrative charges.

B. Payments of amounts owed the Federal Government by organizations, businesses, and individuals are expected to be made in accordance with terms specified in contracts, agreements, or notifications of indebtedness. The Federal Acquisition Regulation is the authority for the collection of contractual indebtedness. For those debts owed the Federal Government that are not covered by contracts or agreements, the initial notification of indebtedness shall inform the debtor of the basis for the indebtedness, the date payment is to be made (due date), and the requirement for interest, penalty, and administrative charges, unless otherwise prohibited by law.

C. The intent of interest, penalty, and administrative charges is to stimulate prompt payment, to recover to the U.S. Treasury the cost of borrowing necessitated by a delinquent receivable, and to recover to the creditor agency the cost of processing and handling delinquent claims, including the referral of claims to credit bureaus or collection agencies.

030502   Application of Charges. Guidance on assessing interest, penalty, and administrative charges is contained in the Federal Claims Collection Standards. Interest, penalty, and administrative charges, unless prohibited by law, shall be applied according to the following:

A. Interest charges shall be assessed on all late payments whether the debt is to be paid in a lump sum or by installments. Interest shall also be charged on audit-related debt. The minimum rate shall be the average investment rate on Treasury's Tax and Loan Account for the 12-month period ending September 30 of each year, as prescribed by the Treasury Department.

B. Fixed or variable interest rates shall be established for each type of loan receivable and for overdue accounts receivables from the public. The factors that affect the variability of interest rates (e.g., legislation, type of contract, occurrence of an event, passage of time, debtor's income level, federal funds rate, etc.) shall be identified. In the absence of specific authority embodied in statute, regulation required by statute, contract, or other public notice, the interest rate shall be the current rate on funds to the Treasury.

C. DoD Components shall assess a penalty charge, not to exceed 6 percent per annum on any portion of a debt that is delinquent more than 90 days.

D. In addition to interest and penalty charges, a charge shall be determined and prorated over delinquent claims to cover the costs of processing and handling them.

E. Accrued interest, administrative, and penalty charges shall be recorded in appropriate accounts contained in Chapter 7 of Volume 1. Subaccounts may be established under existing accounts prescribed for interest and penalty charges.

F. A collection shall be applied first toward administrative and penalty charges; second, toward accrued interest; and third, toward the remaining balance due.

030503 Disposition of Charges

A. Interest charges collected shall be deposited directly into Treasury receipt account 3210, "General Fund Proprietary Receipts, Defense Military, Not Otherwise Classified."

B. Penalty charges shall be deposited directly into Treasury receipt account 1099, "Fines, Penalties, and Forfeitures, Not Otherwise Classified."

C. Administrative charges required to pay for contractor collection fees or claims collection litigation reports shall be paid directly to the GSA designated contractor. Any excess amounts shall be deposited monthly to Treasury receipt account 3210, "General Fund Proprietary Receipts, Defense Military, Not otherwise Classified."

030504 Computation of Amounts

A. Interest Charges shall be computed using the following formula:

$$I = DNF$$

Where: I = Interest charge  
D = Amount of delinquent account receivable  
N = Number of days delinquent  
F = Interest rate per day

B. A penalty charge cannot exceed 6 percent per year of that portion of the debt that is delinquent more than 90 days. As described in paragraph 030206.B, a debt becomes delinquent if not paid by the established due date. Therefore, a penalty charge of up to 6 percent may be applied on a debt that has been delinquent for 91 days past the established due date. Penalty charges shall be applied to those accounts reported in the aging category 91-180 days delinquent and beyond. DoD Components may determine what percent up to the maximum 6 percent will be applied to delinquent accounts.

C. An administrative charge shall be assessed to cover the added costs incurred in handling a debt beyond the date on which payment was due. Unlike the interest charge,

which begins to accrue on the date the delinquent notice actually is mailed, the administrative charge is applied only if payment is not made by the due date specified in the notice. DoD Components shall calculate administrative charges based upon actual costs incurred. If actual cost is not available, DoD Components may base administrative charges upon other historical costs or cost analyses so long as the method used supports determination of the charge. The administrative charge shall be applied to all delinquent debts with due regard given to the length of time the debts is delinquent, such as the age categories identified in paragraph 030212.B.

030505 Application to New Accounts. Rules for application of interest charges to newly established accounts are as follows:

A. The first interest rate used to determine charges on a delinquent account shall be applicable for the life of the delinquent account, unless the account is rescheduled or other events occur that justify an interest rate adjustment. The Department of the Treasury provides Federal Agencies with percentage rate to be used in applying interest by publishing the applicable rate in the Federal Register each quarter.

B. Payment terms specified in the notice of indebtedness shall be consistent with payment terms in the related contract or formal agreement.

C. Unless other provisions have been included in a contract or prior agreement, interest charges shall not be assessed until the debtor has been notified in writing that interest and penalty charges will accrue.

D. Interest and penalty charges shall continue to accrue after "date of death" when a claim is to be filed against an estate.

030506 Application to Existing Accounts. Rules for application of interest and penalty charges to accounts receivable on the effective date of this chapter are as follows:

A. On those debts for which payments are current and are being paid on a regular basis, an advisory notice shall be issued prescribing interest requirements with a stipulation that interest charges will not be imposed so long as payments remain current. This applies to in-service and out-of-service debts.

B. On those accounts for which payments are being made, but which are in arrears because some payments have been missed, the notice shall advise that federal regulations require interest and penalty charges to be assessed on the unpaid balance of the account if a regular payment schedule is not maintained.

C. Debtors with accounts that are over 90 days delinquent shall be notified of the requirement for assessing interest and penalty charges. If the debt is not liquidated by the due date prescribed in the notice, interest and penalty charges shall begin to accrue on the date of the notification.

030507 Payment Within 30 Days. Interest shall not be charged if payment is made within 30 days after the date from which interest begins to accrue (30 days after date notification was mailed). DoD Components may extend this period for an additional 30 days on a case-by-case basis.

030508 Waiver of Accrual of Interest, Penalty, and Administrative Charges. The head of a DoD Component, or designee, may promulgate regulations identifying circumstances appropriate to waive collection of interest and charges in conformity with the Federal Claims Collection Standards; otherwise, the policy regarding the waiver of the accrual of interest, penalty, and administrative charges is as follows:

A. The accrual of interest, penalty, and administrative charges may be waived when accounts are terminated or compromised, or when the additional charges would cause extreme hardship or would not be in the best interest of the Government.

B. Decisions to waive the accrual of interest, penalty, and administrative charges shall be considered on a case-by-case basis (no blanket waivers will be granted). Decisions on such waivers shall be documented, including an explanation as to the reasons for the waiver, and retained as a part of the official file.

C. Waiver of the accrual of interest, penalty, and administrative charges shall be approved at the same organizational level or by the same designee authorized to waive claims.

D. Once accrued, interest, penalty, and administrative charges shall be collected, reported, compromised, or written off in the same manner as the basic debt.

E. Debts that cannot be collected in full by a DoD Component's collection efforts shall be compromised, suspended, terminated, or reported to GAO or the Department of Justice in accordance with the Federal Claims Collection Standards. An inventory of cases referred including dollar amounts shall be maintained by each DoD Component for reporting purposes.

0306 REPORTING WRITE-OFF DEBT TO THE INTERNAL REVENUE SERVICE (IRS)

030601 Section V, paragraph 5, of Office of Management and Budget Circular A-129, requires that income from the discharge of indebtedness is to be included in the gross income of a taxpayer/debtor. Therefore, the outstanding balance, not including interest, of any defaulted obligation that meets the following criteria shall be reported on IRS Form 1099-G, "Statement for Recipients of Certain Government Payment."

A. The amount of the defaulted obligation not in dispute accrues to a total of \$600 or more for a calendar year.

B. The obligation is not discharged in a Title II bankruptcy case.

C. The applicable federal statute for enforcing collection of the obligation expired during the tax year, or some form of formal

compromise agreement is reached during the year, or some form of formal compromise agreement is reached during the year in which the debtor is discharged legally of all or a portion of the obligation (in this case the portion discharged, less interest, is reportable).

#### 0307 REPORTING OF RECEIVABLES

DoD Components are required to report all receivables that arise as a result of the completion of an act that entitles a Federal Agency to collect amounts owed to it. These receivables are to be reported on the TFS Form 220, "Report on Financial Position," prescribed in Chapter 2-4100 of GAO and Chapter 5, Volume 6 of this Regulation. In addition to the TFS Form 220, DoD Components are required to submit Schedule 220.9, "Report on Accounts and Loans Receivable Due From the Public." Schedule 220.9 provides further visibility on public receivables as follows:

030701 Part I. Section A - Outstanding Receivables. Provides a total of current and nondelinquent receivables and an aging of delinquent receivables.

030702 Section B - Activity Fiscal Year to Date. Provides new receivables during the reporting period, total payments or collections against receivables, reclassified amounts, and amounts written off during the year. This information should be provided for accounts and loans receivable. These categories are identified specifically in exhibit number 5, Chapter 2-4100 of the TFM.

030703 Sections C and D. Provide for

allowances and write-offs and a reconciliation.

030704 Part II. Provides administrative actions and other supplemental information on delinquent and nondelinquent receivables such as cases referred to and resolved by the agency counsel and the Department of Justice; the aging of receivables reclassified; interest, penalties, and administrative charges; and a reconciliation with the TFS Form 220.

#### 0308 RECEIVABLES AND RELATED CONTROL ACCOUNTS

##### 030801 Accounts and Refunds Receivable

Figures 3-1 through 3-8 define the accounts that are used for accounts and refunds receivable and illustrate the entries for transactions that affect each account.

##### 030802 Allowances for Loss

Figures 3-9 and 3-16 define the accounts that are used for allowances for loss and illustrate the entries for transactions that affect each account.

##### 030803 Claims Receivable

Figure 3-11 defines this account and illustrates the entries for transactions that affect it.

##### 030804 Loans Receivable

Figures 3-11 through 3-16 defines these accounts and illustrate the entries for transactions that affect them.



ACCOUNT NO. 1300	
RECEIVABLES - NET	
DESCRIPTION: Net receivables.	
DEBIT	CREDIT
<p>This is a summary account.</p> <p>Do not post to this account.</p>	
NORMAL BALANCE: DEBIT	
FIGURE 3-1	

ACCOUNT NO. 1310	
ACCOUNTS RECEIVABLE	
<b>DESCRIPTION:</b> Amounts due from others when the right to receive funds accrues, which may result from the performance of services; delivery of goods; or, as in the case of interest income, the passage of time.	
DEBIT	CREDIT
<p>This is a summary account.</p> <p>Do not post to this account.</p>	
NORMAL BALANCE: DEBIT	
FIGURE 3-2	

ACCOUNT NO. 1311	
ACCOUNTS RECEIVABLE - GOVERNMENT - CURRENT	
<b>DESCRIPTION:</b> Represents current amounts due from intrabudgetary U.S. Government organizations or funds. It also includes amounts due from U.S. Government sources that will be deposited into Treasury general fund receipt accounts when collected. Subaccounts will be maintained for each appropriation, fund, or receipt account.	
DEBIT	CREDIT
1. Amounts earned and billed for goods and services provided.  Contra: Appropriate 5000 Accounts  2. Amounts previously recorded as noncurrent.  Contra: 1312	1. Amount of collections received.  Contra: 1011  2. Write-offs of accounts receivable.  Contra: 1319  3. Amounts rescheduled to noncurrent.  Contra: 1312
<b>SOURCE OF ENTRY:</b> Billing documents, interfund billings, job cost reports, receiving reports, payroll records, and cash collection vouchers.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-3	

ACCOUNT NO. 1312	
ACCOUNTS RECEIVABLE - GOVERNMENT - NONCURRENT	
<b>DESCRIPTION:</b> Represents noncurrent amounts due from intrabudgetary U.S. Government organizations or funds. It also includes amounts due from U.S. Government sources that will be deposited into Treasury general fund receipt accounts when collected. Subaccounts will be maintained for each appropriation, fund, or receipt account.	
DEBIT	CREDIT
1. Amounts earned and not billed for goods and services provided.  Contra: Appropriated 5000 Accounts  2. Amounts previously recorded as current but reclassified as noncurrent.  Contra: 1311	1. Amount of collections received.  Contra: 1011  2. Write-offs of accounts receivable.  Contra: 1319  3. Amounts transferred to current account.  Contra: 1311
<b>SOURCE OF ENTRY:</b> Billing documents, interfund billings, job cost reports, receiving reports, payroll records and cash collection vouchers.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-4	

ACCOUNT NO. 1313	
ACCOUNTS RECEIVABLE - PUBLIC - CURRENT	
<b>DESCRIPTION:</b> Represents current amounts due from non-Federal Governmental organizations, commercial vendors, nonintrabudgetary transactions with NAFLs, and private parties. It also includes amounts from public sources that will be deposited into Treasury general fund receipt accounts when collected. Subaccounts will be maintained for each appropriation, fund, or receipt account.	
DEBIT	CREDIT
1. Amounts earned and billed for goods and services furnished.  Contra: Appropriate 5000 Accounts  2. Amounts previously recorded as noncurrent.  Contra: 1314	1. Amounts of collections received.  Contra: 1011  2. Write-offs of accounts receivable.  Contra: 1319  3. Amounts reclassified to noncurrent.  Contra: 1314
<b>SOURCE OF ENTRY:</b> Billing documents, job cost reports, receiving reports, payroll records, and cash collection vouchers.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-5	

ACCOUNT NO. 1314	
ACCOUNTS RECEIVABLE - PUBLIC - NONCURRENT	
<b>DESCRIPTION:</b> Represents noncurrent amounts due from non-Federal Governmental organizations, commercial vendors, nonintrabudgetary transactions with NAFLs, and private parties. It also includes amounts from public sources that will be deposited into Treasury general fund receipt accounts when collected. Subaccounts will be maintained for each appropriation, fund, or receipt account.	
DEBIT	CREDIT
1. Amounts not yet due for goods and services furnished.  Contra: Appropriate 5000 Accounts  2. Amounts previously recorded as current but reclassified as noncurrent.  Contra: 1313	1. Amounts of collections received.  Contra: 1011  2. Write-offs of accounts receivable.  Contra: 1319  3. Amounts transferred to current account.  Contra: 1313
<b>SOURCE OF ENTRY:</b> Job cost reports, receiving reports, payroll records, and cash collection vouchers.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-6	

ACCOUNT NO. 1315	
REFUNDS RECEIVABLE - GOVERNMENT	
<b>DESCRIPTION:</b> Represent amounts of refunds due from intrabudgetary U.S. Government organizations or funds resulting from erroneous payments. Subaccounts will be maintained for each appropriation or fund.	
DEBIT	CREDIT
1. Amounts of refunds due from other U.S. Government organizations or funds.  Contra: Appropriated 1000 or 6000 Accounts	1. Amounts collected for refunds receivable. Contra: 1012  2. Adjustments or cancellations of refunds due. Contra: Appropriate 1000 or 6000 Accounts  3. Write-offs of refunds receivable. Contra: 1319
<b>SOURCE OF ENTRY:</b> Billing, collection, and disbursement documents.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-7	

ACCOUNT NO. 1316	
REFUNDS - RECEIVABLE - PUBLIC	
<b>DESCRIPTION:</b> Represents amounts of refunds due from non-Federal Governmental organizations, commercial vendors, and private parties resulting from erroneous payments and unliquidated advances. Subaccounts will be maintained for each appropriation or fund.	
DEBIT	CREDIT
1. Amounts of refunds due from the public.  Contra: Appropriate 1000 or 6000 Accounts.	1. Amounts collected for refunds receivable.  Contra: 1012  2. Adjustments or cancellations of refunds due.  Contra: Appropriated 1000 or 6000 Accounts  3. Write-offs of refunds receivable.  Contra: 1319
<b>SOURCE OF ENTRY:</b> Billing, collection, and disbursement documents.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-8	



ACCOUNT NO. 1319	
ALLOWANCE FOR LOSS ON ACCOUNTS RECEIVABLE	
<b>DESCRIPTION:</b> Represents the estimated amount of uncollectible accounts and refunds receivable. Subaccounts will be maintained for each appropriation or fund	
DEBIT	CREDIT
<p>1. Write-offs of accounts and refunds receivable.</p> <p>Contra: Appropriate 1310 Accounts.</p>	<p>1. Amount estimated as uncollectible accounts and refunds receivable.</p> <p>Contra: 6129</p>
<b>SOURCE OF ENTRY:</b> Analysis of accounts representing extensions of credit to estimate the uncollectible portion.	
<b>NORMAL BALANCE:</b> CREDIT	
FIGURE 3-9	

ACCOUNT NO. 1320	
CLAIMS RECEIVABLE - PUBLIC	
<b>DESCRIPTION:</b> Represents amounts due from commercial carriers for damages to and losses in shipments occurring through the fault of the carrier; vendors as a result of shortages or damages to shipments occurring through the fault of the vendor; individuals held pecuniarily liable by report of survey for loss, damage, or destruction of property; and other claims. Subaccounts will be maintained for each appropriation and fund.	
DEBIT	CREDIT
1. Amounts due a DoD Component in settlement of claims.  Contra: Appropriate 5000 or 6000 Accounts	1. Amounts collected.  Contra: 1011  2. Write-offs of claims receivable.  Contra: 1319
<b>SOURCE OF ENTRY:</b> Various claims documents and cash collection vouchers.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-10	

ACCOUNT NO. 1350	
LOANS RECEIVABLE	
<b>DESCRIPTION:</b> Represents the outstanding principal amounts due under lending and other programs. Includes the principal value of loans. Subaccounts will be maintained for each appropriation or fund.	
DEBIT	CREDIT
<p>This Account is a summary account.</p> <p>Do not post to this account.</p>	
NORMAL BALANCE: DEBIT	
FIGURE 3-11	

ACCOUNT NO. 1351	
LOANS RECEIVABLE - GOVERNMENT - CURRENT	
<b>DESCRIPTION:</b> Represents the current outstanding principal amounts due from other federal sources under lending and other programs. Subaccounts will be maintained for each appropriation or fund.	
DEBIT	CREDIT
1. Loans approved and issued. Contra: 1012  2. Amounts previously recorded as noncurrent. Contra: 1352	1. Cash collected to liquidate loan balances. Contra: 1011  2. Write-offs of loans receivable. Contra: 1359  3. Amounts reclassified to noncurrent. Contra: 1352
<p style="text-align: center;">This account shall not be used without the specific approval of the Office of the Deputy Under Secretary of Defense (Comptroller/Financial Management)/ Deputy Chief Financial Officer</p>	
<b>SOURCE OF ENTRY:</b> Loan instruments and cash collection vouchers.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-12	

ACCOUNT NO. 1352	
LOANS RECEIVABLE - GOVERNMENT - NONCURRENT	
<b>DESCRIPTION:</b> Represents the noncurrent outstanding principal amounts due from other federal sources under lending and other programs. Subaccounts will be maintained for each appropriation or fund.	
DEBIT	CREDIT
1. Loans approved and issued.  Contra: 1012  2. Amounts previously recorded as current but reclassified as noncurrent.  Contra: 1351	1. Cash collected to liquidate loan balance.  Contra: 1011  2. Write-offs of loans receivable  Contra: 1359  3. Amounts transferred to current account.  Contra: 1351
This account shall not be used without  the specific approval of the Office of the  Deputy Under Secretary of Defense  (Comptroller/Financial Management)/  Deputy Chief Financial Officer	
<b>SOURCE OF ENTRY:</b> Loan instruments and cash collections vouchers.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-13	

ACCOUNT NO. 1353	
LOANS RECEIVABLE - PUBLIC - CURRENT	
<b>DESCRIPTION:</b> Represents the current outstanding principal amounts due from public sources under lending and other programs. Includes the principal value of mortgages that FHA takes under the Homeowners Assistance Program and amounts of loans acquired under Defense Production Guarantees. Subaccounts will be maintained for each appropriation or fund.	
DEBIT	CREDIT
1. Amounts paid for acquired loans from public sources. Contra: 1012  2. Sale of home under Homeowners Assistance Program when FHA becomes mortgagee. Contra: 1691  3. Amounts previously recorded as noncurrent. Contra: 1354	1. Cash collected to liquidate loan balances. Contra: 1011  2. Write-offs of loans receivable. Contra: 1359  3. Repossession of property subject to a purchase money mortgage. Contra: 1691  4. Amounts reclassified to noncurrent. Contra: 1354
<b>SOURCE OF ENTRY:</b> Loan instruments and cash collection vouchers.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-14	

ACCOUNT NO. 1354	
LOANS RECEIVABLE - PUBLIC - NONCURRENT	
<b>DESCRIPTION:</b> Represents the noncurrent outstanding principal amounts due from public sources under lending and other programs. Includes the principal value of mortgages that FHA takes under the Homeowners Assistance Program and amounts of loans acquired under Defense Production Guarantees. Subaccounts will be maintained for each appropriation or fund.	
DEBIT	CREDIT
1. Amounts paid for acquired loans from public sources. Contra: 1012 2. Sale of home under Homeowners Assistance Program when FHA becomes mortgagee. Contra: 1691 3. Amounts previously recorded as current but reclassified as noncurrent. Contra: 1353	1. Cash collected to liquidate loan balances. Contra: 1011 2. Write-offs of loans receivable. Contra: 1359 3. Repossession of property subject to a purchase money mortgage. Contra: 1691 4. Amounts transferred to current account. Contra: 1353
<b>SOURCE OF ENTRY:</b> Loan instruments and cash collection vouchers.	
<b>NORMAL BALANCE:</b> DEBIT	
FIGURE 3-15	

ACCOUNT NO. 1359	
ALLOWANCE FOR LOSS ON LOANS RECEIVABLE	
<b>DESCRIPTION:</b> Represents the estimated amount of uncollectible loans receivable. Subaccounts will be maintained for each appropriation or fund.	
DEBIT	CREDIT
1. Write-offs of loans receivable.  Contra: 1350, 1351, 1352	1. Amounts estimated as uncollectible loans receivable.  Contra: 6129
<b>SOURCE OF ENTRY:</b> Analysis of accounts representing extensions of credit to estimate the uncollectible portion.	
<b>NORMAL BALANCE:</b> CREDIT	
FIGURE 3-16	